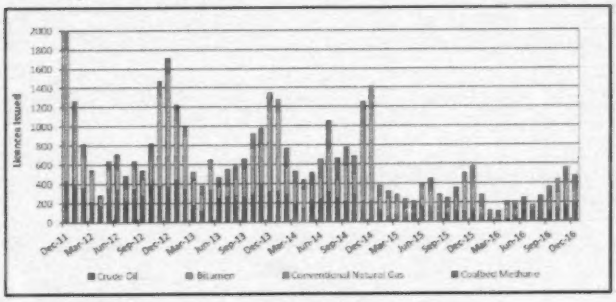
February 2017 Industry Activity Report

Monthly Well Licences



The Alberta Energy Regulator issued 479 well licenses in December 2016, down 17% from the 577 well licences issued in December 2015.

There were 184 licences issued for crude oil in December 2016, up 75% from the 105 crude oil licences issued in December 2015.

83% of the crude oil licences issued in December 2016 were for horizontal wells.

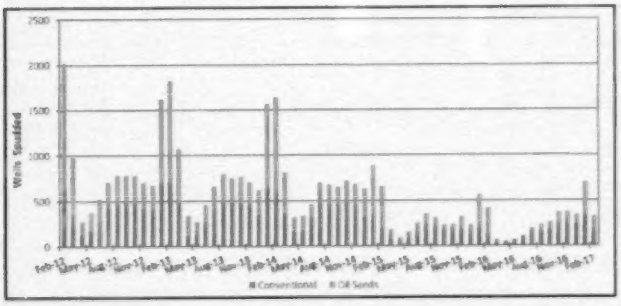
There were 139 natural gas well licenses (excluding CBM) issued in December 2016, up 5% compared to the 133 licences reported in December 2015.

96% of natural gas well licenses issued in December 2016 were for horizontal wells.

DECEMBER 2016			
Licenced Wells	Drilling Type	Total Licences	Per cent of Total Licences
Natural Gas	Horizontal	133	43%
	Vertical/Direct	6	
Coal Bed Methane	Horizontal	-	
	Vertical/Direct	-	
Crude Oil	Horizontal	153	24%
	Vertical/Direct	31	
Bitumen	Horizontal	20	33%
	Vertical/Direct	23	
	Evaluation	113	
Total		479	100%

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



For the January to February 2017 period, spuds from conventional wells were up 49% while oil sands spuds were down 19% as compared to the same period in 2016.

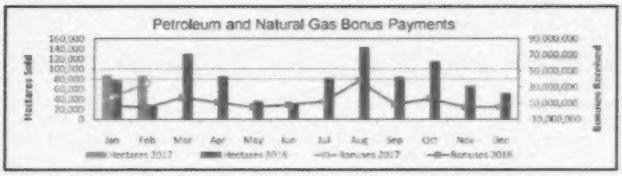
With a total of 326 spuds for the month of February 2017, activity has decreased 22% as compared to February 2016 when there were 419 spuds.

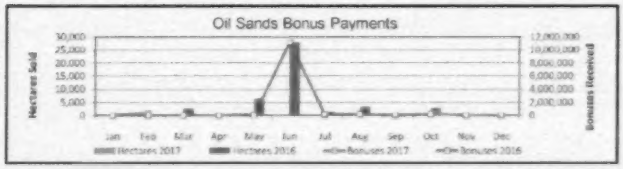
Note: Data for the most recent month is only partially complete. Therefore, February data includes the most current complete results.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Conventional	760	707	532	110	161	339	576	680	690	675	702	484	**6,439**
	Oil Sands	1052	1296	786	131	153	186	236	288	329	277	272	273	**5,279**
2012	Conventional	689	650	370	135	169	278	430	467	480	473	423	412	**4,976**
	Oil Sands	1083	1374	610	141	205	241	274	318	304	309	284	263	**5,407**
2013	Conventional	704	700	471	112	137	266	412	484	480	476	456	344	**5,042**
	Oil Sands	912	1126	608	227	133	186	243	317	267	289	250	275	**4,833**
2014	Conventional	646	578	362	161	170	319	472	463	452	493	448	320	**4,884**
	Oil Sands	916	1058	450	159	165	141	226	210	193	223	229	306	**4,276**
2015	Conventional	349	185	73	52	77	141	236	212	164	191	187	126	**1,993**
	Oil Sands	538	466	109	43	76	114	116	104	70	49	134	103	**1,922**
2016	Conventional	198	130	31	38	49	89	151	159	183	257	261	240	**1,786**
	Oil Sands	370	289	37	11	16	20	40	74	82	110	114	98	**1,261**
2017	Conventional	340	149	1										**490**
	Oil Sands	356	177	1										**534**

Source: Alberta Energy Regulator

Petroleum & Natural Gas & Oil Sands Land Sales





Bonuses received from the sales of 512 hectares of oil sands rights in February 2017 were $0.33 million with an average price per hectare of $637.76.

In February 2017, the province received about $35.1 million as bonuses from the sales of 86,964 hectares of the petroleum and natural gas rights with an average price per hectare of $403.24.

Between January and February 2017, Alberta received a total of about $53.0 million in bonuses from the sales of 175,769 hectares, compared to about $11.4 million received from the sales of 106,422 hectares between January and February 2016.

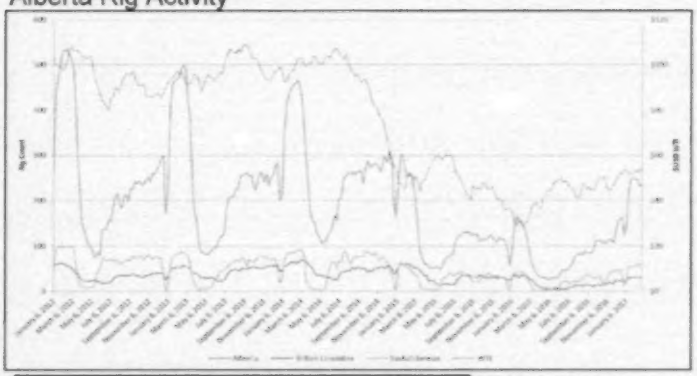
During this period, average price per hectare has increased from $107.28 in February 2016 to $301.59 in February 2017.

Petroleum and Natural Gas Rights	Feb-17	Feb-16	YTD 2017	YTD 2016
Bonuses	$35,067,580.00	$4,639,256.12	$52,682,899.71	$11,417,448.42
Hectares	86,964	28,520	175,257	106,422
Average Price per Hectare (Cdn$)	$403.24	$162.67	$300.60	$107.28

Oil Sands Rights	Feb-17	Feb-16	YTD 2017	YTD 2016
Bonuses	$326,533		$326,533.12	
Hectares	512	-	512	-
Average Price per Hectare (Cdn$)	$637.76		$637.76	

Source: Alberta Energy

Alberta Rig Activity



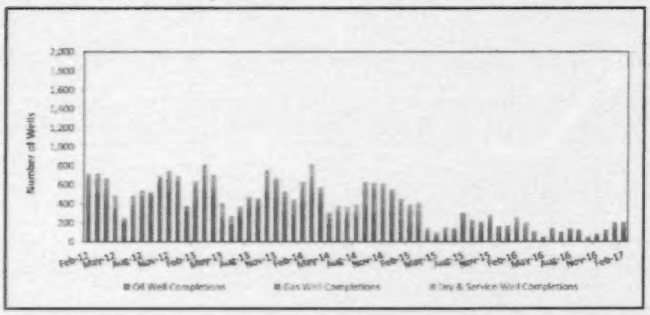
Canadian Drilling	Drilling February 24, 2017	Up or Down Compared to the Previous Week	WTI ($/bbl)
Alberta	234	2	$ 54.05
Saskatchewan	61	4	
British Columbia	32	3	
Canada	341	10	

Source: Baker Hughes

Rig activity in Alberta increased by 2 to 234 for the week of February 24th, 2017 and was 122 (109%) higher than last year.
In Canada, the number of rigs drilling increased by 10 to 341 for the week of February 24th, 2017 and was 166 (95%) higher than a year ago.
Oil directed rig count increased by 12 to 206 rigs and was 123 (148%) higher than last year.
Gas directed rig count was down 2 at 135 and was 43 rigs (43%) higher than last year.

Canadian drilling falls rapidly in the spring to avoid environmental damage moving drilling equipment during the spring thaw and rainy season. With large weather related seasonal swings, even year-over-year comparisons can lead to incorrect conclusions.

Alberta Well Completions



There were a total of 209 wells completed in February 2017, down 20% from 260 wells completed in February 2016.

Compared to February 2016, oil completions in February 2017 were up 22% and gas completions were down 26%.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2011	Oil Wells	226	353	650	419	602	209	105	451	1030	626	559	566	**5,798**
	Gas Wells	145	294	974	472	196	124	43	183	356	259	243	299	**3,588**
	Dry & Service	42	127	222	112	160	100	97	94	145	19	32	73	**1,223**
2012	Oil Wells	275	489	516	405	296	205	348	380	447	588	533	523	**4,945**
	Gas Wells	131	181	146	141	52	12	46	98	65	81	137	110	**1,210**
	Dry & Service	36	48	55	126	128	37	94	63	12	23	80	59	**760**
2013	Oil Wells	313	449	544	481	230	179	263	394	357	528	483	333	**4,534**
	Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	**1,117**
	Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	**757**
2014	Oil Wells	280	427	520	418	188	240	245	257	389	314	354	348	**3,980**
	Gas Wells	105	119	166	94	54	94	52	63	154	239	197	161	**1,498**
	Dry & Service	57	80	126	69	63	45	70	69	85	66	62	42	**826**
2015	Oil Wells	239	194	147	57	34	75	80	189	154	113	152	89	**1,523**
	Gas Wells	166	134	166	52	42	45	44	108	65	75	93	60	**1,053**
	Dry & Service	46	60	94	32	25	31	21	13	15	27	40	11	**415**
2016	Oil Wells	88	106	43	30	11	48	46	87	64	27	51	81	**682**
	Gas Wells	55	90	106	69	29	75	47	35	47	20	26	37	**636**
	Dry & Service	29	64	51	14	11	21	10	17	15	4	2	1	**239**
2017	Oil Wells	133	129											**262**
	Gas Wells	64	67											**131**
	Dry & Service	8	13											**21**

Source: JuneWarren-Nickle's Energy Group